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UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of: )

JOAN M. DAVIS )

Former Assistant Branch )  
Manager and )  
Institution-Affiliated Party )  
of: )

RE: OTS Order No. NE97-11

Dated: May 27, 1997

First Federal Savings and )  
Loan Association of Rochester )  
Rochester, NY )  
(OTS Docket No. 02125 )

STIPULATION AND CONSENT TO ENTRY  
OF ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed JOAN M. DAVIS, former assistant branch manager and institution-affiliated party of First Federal Savings and Loan Association of Rochester, Rochester, NY, OTS No. 02125 ("First Federal" or the "Institution") that the OTS is of the opinion that grounds exist to initiate an administrative prohibition proceedings against JOAN M. DAVIS pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. § 1818(e).<sup>1</sup>

1. All references in this Stipulation and Consent and the Order of Prohibition to the U.S.C. are as amended.

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WHEREAS, JOAN M. DAVIS desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, but admitting the statements and conclusions in Paragraph 1 below, hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) First Federal, at all times relevant hereto, was a "savings association" within the meaning of Section 3(b) of the FDIA, 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1462(4). Accordingly, First Federal was an "insured depository institution" as that term is defined in Section 3(c) of the FDIA, 12 U.S.C. § 1813(c).

(b) JOAN M. DAVIS, as a former assistant branch manager of First Federal, is deemed to be an "institution-affiliated party" as that term is defined in Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), having served in such capacity within six (6) years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to Section 3(q) of the FDIA, 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain an enforcement proceeding against institution-affiliated parties. Therefore, JOAN M. DAVIS is subject to the authority of the OTS to initiate and maintain prohibition proceedings against her pursuant to Section 8(e) of the

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FDIA, 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS has been informed that between June and December 1995, while JOAN M. DAVIS was an Assistant Branch Manager of First Federal, she negotiated through her account at First Federal a series of checks ranging between \$200 and \$1,800 which were misrepresented as cash deposits and for which there were insufficient funds to cover the checks. On February 12, 1996, she signed a hand written statement admitting to this practice. As a result of her actions, JOAN M. DAVIS (1) engaged in a violation of the law or breached her fiduciary duty of honesty to First Federal; and (2) First Federal suffered a financial loss or she received a financial benefit or other gain; and (3) the violation of law or breach of fiduciary duty demonstrates willful and/or continuing disregard by JOAN M. DAVIS for the safety and soundness of First Federal.

3. Consent. JOAN M. DAVIS consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). She further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the Northeast Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

5. Waivers. JOAN M. DAVIS waives the following:

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(a) the right to be served with a written notice of the OTS's charges against her (referred to as a Notice of Intention to Prohibit) (see Section 8(e) of the FDIA);

(b) the right to an administrative hearing of the OTS's charges against her (see Section 8(e) of the FDIA); and

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by Section 8(h) of the FDIA, 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order.

6. Indemnification. JOAN M. DAVIS shall neither cause nor permit First Federal (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order of Prohibition. Nor shall JOAN M. DAVIS obtain any indemnification (or other reimbursement) from the Institution (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of JOAN M. DAVIS in connection with this action shall be returned to First Federal (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

(a) JOAN M. DAVIS acknowledges and agrees that the consent to the entry of the Order is for the purpose of resolving this prohibition action only, and does not release, discharge,

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compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of JOAN M. DAVIS that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

(b) By signing this Stipulation and Consent to Entry of an Order of Prohibition, JOAN M. DAVIS agrees that she will not assert this proceeding, her consent to the entry of the Order, and/or the entry of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other Federal or state governmental entity.

8. Acknowledgment of Criminal Sanctions. JOAN M. DAVIS acknowledges that Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of the Order.

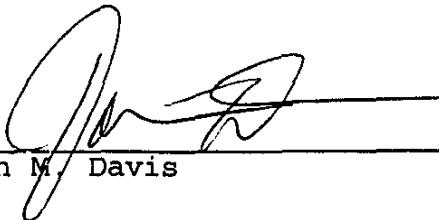
9. Agreement for Continuing Cooperation. JOAN M. DAVIS agrees that, at the OTS's request, on reasonable notice and without service of a subpoena, she will provide whatever discovery and testify truthfully at any deposition and at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by the OTS relating to First Federal, its holding companies, its subsidiaries, and its institution-affiliated parties, except that JOAN M. DAVIS does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution. If JOAN M. DAVIS invokes a privilege against self-incrimination under the Fifth Amendment of the United States Constitution with respect to any

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matter about which the OTS inquires or the production of any document requested by the OTS and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 et seq., JOAN M. DAVIS agrees, consistent with any such grant of immunity, to provide discovery and testify truthfully at any deposition and at any judicial, administrative, or investigative proceeding on the matter for which immunity is given.

WHEREFORE, JOAN M. DAVIS executes this Stipulation and Consent to Entry of an Order of Prohibition, intending to be legally bound hereby.

By:

  
Joan M. Davis

Dated: 5/16/97

Accepted by:  
Office of Thrift Supervision

  
Robert C. Albanese  
Northeast Regional Director

Dated: 5/27/97

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

In the Matter of: )  
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JOAN M. DAVIS, )  
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Former Assistant Branch )  
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First Federal Savings and )  
Loan Association of Rochester )  
Rochester, NY )  
(OTS Docket No. 02125) )  
 )

RE: OTS Order No. NE97-11

Dated: May 27, 1997

ORDER OF PROHIBITION

WHEREAS, JOAN M. DAVIS has executed a Stipulation and Consent to Entry of an Order of Prohibition ("Stipulation"); and

WHEREAS, JOAN M. DAVIS, by her execution of the Stipulation, has consented and agreed to the issuance of this Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDIA"), 12 U.S.C. §1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. JOAN M. DAVIS is prohibited from further participation, in any manner, in the conduct of the affairs of First Federal Savings and Loan Association of Rochester, and any successor institution, holding company, subsidiary, and/or service corporation thereof.

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2. JOAN M. DAVIS is and shall be subject to the statutory prohibitions provided by Section 8(e) of the FDIA, 12 U.S.C. § 1818(e). Due to and without limitation on the operation of Sections 8(e)(6) and 8(e)(7) of the FDIA, 12 U.S.C. §§ 1818(e)(6) and 1818(e)(7), JOAN M. DAVIS, except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of Section 8(e)(7)(B)(ii) of the FDIA, 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(A) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or any agency specified in Section 8(e)(7)(A) of the FDIA, 12 U.S.C. § 1818(e)(7)(A) ("Covered Institution"), including:

(i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, state banks, trust companies, and other banking institutions;

(ii) any institution treated as an insured bank under Sections 8(b)(3) and 8(b)(4) of the FDIA, 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under Section 8(b)(9) of the FDIA, 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;

(iii) any insured credit union under the Federal Credit Union Act, 12 U.S.C. §§ 1781 et seq.;

(iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 et seq.;

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(v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e) (7) (A) (v); and

(vi) the Federal Housing Finance Board and any Federal Home Loan Bank;

(B) solicit, procure, transfer, attempt to transfer, vote or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any Covered Institution;

(C) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of Section 3(q) of the FDIA, 12 U.S.C. §§ 1813(q); or

(D) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at Section 3(u) of the FDIA, 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

3. The Stipulation is made a part hereof and is incorporated herein by this reference.

4. This Order is subject to the provisions of Section 8(j) of the FDIA, 12 U.S.C. § 1818(j), and shall become effective on the date it is issued.


5. JOAN M. DAVIS shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

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6. The terms and provisions of this Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

THE OFFICE OF THRIFT SUPERVISION

By:

  
Robert C. Albanese  
Northeast Regional Director

*Handwritten initials/signature*